

(b) *Application rating system.* Applications that meet the threshold requirements established in paragraph (a) of this section will be rated competitively within each Area ONAP's jurisdiction.

(c) *NOFAs* will define and establish weights for the selection criteria for each rating category contained in this subpart, will specify the maximum points available, and will describe how point awards will be made. Each Area ONAP will rate applications on the basis of their responsiveness to the criteria contained in this subpart as defined in the periodic NOFAs.

(d) *Set-aside selection of projects.* If funds have been set aside by statute for a specific purpose in any fiscal year, other criteria pertinent to the set-aside may be used to select projects for funding from the set-aside.

§ 1003.302 Project specific threshold requirements.

(a) *Housing rehabilitation projects.* All applicants for housing rehabilitation projects shall adopt rehabilitation standards and rehabilitation policies before submitting an application. The applicant shall assure that it will use project funds to rehabilitate units only when the homeowner's payments are current or the homeowner is current in a repayment agreement that is subject to approval by the Area ONAP. The Area ONAP administrator may grant exceptions to this requirement on a case-by-case basis.

(b) *New housing construction projects.* New housing construction can only be implemented through a nonprofit organization that is eligible under § 1003.204 or is otherwise eligible under § 1003.207(b)(3). All applicants for new housing construction projects shall adopt, by current tribal resolution, construction standards before submitting an application. All applications which include new housing construction projects must document that:

(1) No other housing is available in the immediate reservation area that is suitable for the household(s) to be assisted; and

(2) No other sources can meet the needs of the household(s) to be assisted; and

(3) Rehabilitation of the unit occupied by the household(s) to be assisted is not economically feasible; or

(4) The household(s) to be housed currently is in an overcrowded housing unit (sharing with another household); or

(5) The household(s) to be assisted has no current residence.

(c) *Economic development projects.* All applicants for economic development projects must provide an analysis which shows public benefit commensurate with the ICDBG assistance requested will result from the assisted project. This analysis should also establish that to the extent practicable: reasonable financial support will be committed from non-Federal sources prior to disbursement of Federal funds; any grant amount provided will not substantially reduce the amount of non-Federal financial support for the activity; not more than a reasonable rate of return on investment is provided to the owner; and, that grant funds used for the project will be disbursed on a pro rata basis with amounts from other sources. In addition, it must be established that the project is financially feasible and that it has a reasonable chance of success.

§ 1003.303 Project rating categories.

(a) There are three project rating categories: housing, community facilities, and economic development. The housing rating category consists of three components: Housing rehabilitation, land to support new housing, and new housing construction. The community facility category consists of two components: Infrastructure and buildings. The economic development category has only one component. With the exceptions indicated in paragraph (b) of this section, the following criteria will be used to rate projects.

(1) Project need and design.

(2) Planning and implementation.

(3) Leverage.

(b) *Exceptions.* (1) Projects for the acquisition of land to support new housing will not be rated under the leverage criterion.

(2) Economic development projects will not be rated under the project need and design and planning and implementation criteria. These projects